

**REPORT**

OF

**THE COMMITTEE ON INTERNAL IMPROVEMENTS**

OF THE

**HOUSE OF REPRESENTATIVES**

OF

**THE STATE OF ILLINOIS,**

**SUBMITTED**

**TO THE HOUSE, FEBRUARY 16, 1839.**

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## INTERNAL IMPROVEMENT SYSTEM.

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FEBRUARY 16, 1839.

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Mr. SMITH, of Wabash, from the Committee on Internal Improvements,  
made the following

### REPORT:

*The Committee on Internal Improvements, to which was referred so much of the Messages of the late and present Executives of this State, and also certain resolutions directing the Committee to inquire into what modifications of the present system of Internal Improvement are necessary to be made to bring the system within the means of the State, beg leave to report:*

That this subject has received that due share of their attention and deliberation which its acknowledged importance demands; and, after having bestowed on it their calm and sober reflections, they have arrived at the following conclusions:

That the system of Internal Improvements adopted by the last Legislature, on the recommendation of several preceding Executive messages, and of the Internal Improvement Convention then assembled, is within the means of the State to complete without embarrassment to the people, or arresting her career of greatness and prosperity.

That the system being entered into by a solemn compact, the faith of the State is pledged to the people, and to the emigration and settlements which it has induced, to carry it out to its full extent, and not to reduce it unless with the consent of the people immediately affected by the portion of the works proposed to be stricken off or reduced, as manifested by the opposition of their representatives to the system itself.

That all the works having been commenced at various sections in the State, the people of these sections are competent to judge of the value and utility of the system to them respectively; and that so long as they are unwilling to surrender their respective claims, the irresistible conclusion is, that the system is not too large for the wants of the whole people; and that, the system purporting to be a *general system of Internal Improvements*, the faith of the State is indirectly pledged to extend its benefits to those sections of the State not now accommodated, as early and as fully as her means will justify.

The committee propose to confine their investigations principally to the elucidation of the first proposition, upon the correctness and truth of which all the residue must be supported.

It appears by the report of the Board of Public Works to the Governor, and now on the table of the House, that surveys and estimates of the several improvements embraced in the Internal Improvement system have been made. These surveys demonstrate the entire practicability of all the works, and exhibit the most cheering evidence of the superior adaptation of the topography of the State to the construction of railroads of the most useful character. The estimates of the probable cost of the railroads, based upon the actual data derived from the operation of contractors, is no less encouraging, and are calculated to put at rest the vague declarations of the opponents of the system, as to the enormous amount alleged by them to be requisite to carry out the system.

The committee, taking it for granted that the entire practicability of the works will not be questioned, will proceed to the examination of the fiscal means of the State to prosecute them, and the consequent expediency of the system. In pursuing this investigation they will also take it for granted that the expediency of the river improvements and of the Great Western mail route is conceded, and propose to restrict their labors chiefly to an examination of the railroad branch of the system.

By the report of the Board of Public Works, it appears that the system embraces one thousand three hundred and forty-two miles of railroad, at an aggregate estimated cost of \$11,470,444 50. The present appropriations for river improvements, is \$400,000. There is \$200,000 appropriated for distribution among the counties through which no railroad or canal is to be constructed, and \$250,000 for the Great Western mail route; making an aggregate of \$12,320,444 50. By making a proper allowance for contingencies, and additional appropriations for rivers and mail routes, it is supposed that fourteen millions of dollars will be amply sufficient to complete the present system, with some minor, yet important, additions, and put the whole into operation.

There has been disbursed by the Board of Public Works, up to the date of the report, the sum of \$1,079,793 71, in surveys and on construction; and by the Board of Fund Commissioners, in payment to counties and purchase of railway iron, and contingencies, \$214,122 83, making an aggregate of \$1,293,916 53. The principal portion of this amount was expended during the year 1837.

The framers of the Internal Improvement law had it in view to restrict the operations on the public works so as to make them bear a just proportion to the surplus labor and provisions of the country, and this wise policy should not be lost sight of in the future prosecution of the works. It is estimated by your committee that, in view of the prospective emigration of operatives to the State, at least \$2,000,000 annually can be economically expended on the public works, until their final completion, without paralyzing the agricultural interests of the State.

The following tabular exhibit, based on the proposed annual expenditure of \$2,000,000, shows the amount of debt which will be incurred, and the interest which will be payable up to the first day of January in each year, until the final completion of the works. To arrive at the interest account to be liquidated in each current year, it is estimated

that the amount borrowed in any one year will bear an average interest for half the year in which the sum is borrowed.

The amount of Internal Improvement loans on the first day of January, 1839, as shown by the report of the Fund Commissioners, is \$2,204,600, and the interest thereon has been paid up to that day; there being near one million of dollars on hand, there will be required but one million of dollars in addition to be borrowed for the present year's operations.

	Years	Amount of Internal Improvement loan on the first day of January in each year.	Amount of interest payable up to the first day of January in each year.
1	1839	\$2,204,600 00	
2	1840	3,204,600 00	\$162,276 00
3	1841	5,204,600 00	252,276 00
4	1842	7,204,600 00	372,276 00
5	1843	9,204,600 00	492,276 00
6	1844	11,204,600 00	612,276 00
7	1845	14,000,000 00	756,138 00
8	1846	14,000,000 00	840,000 00

In adverting to the resources of the State to meet the annual liabilities exhibited in the foregoing table, the committee will, in the first place, confine themselves to such means as they believe will not be liable to be questioned by the unprejudiced inquirer after truth, and show the probable deficit to be supplied from other contingent resources and taxation.

The profits to be derived from the banking operations of the State are variously estimated; but taking into view the prospects of the profits to be derived from a sale of State bonds belonging to the State Bank, amounting to \$1,750,000, as shown in their report to the Legislature, it is thought a very safe calculation to put the Bank dividends at nine per cent., leaving three per cent. over the interest payable on the bonds sold for the purchase of the stock.

The committee are also of the opinion that the State bonds will hereafter, under any contingencies, be worth a premium equal at least to the difference in exchange between Illinois and the eastern cities, and have therefore averaged their premiums and exchange at two per cent.

They have also taken, as further data for calculation, that the roads as they are completed and put into operation from the rivers to important trading towns in the interior, will soon commence netting a per centage of revenue on the whole amount expended on the finished and unfinished works; which per centage they have assumed, in 1842, will be two per cent., and to increase one per cent. annually thereafter, as the lines are extended and the trade and travel accumulate thereon.

The committee have also assumed the position that the surplus revenue of the General Government distributed to the States, although in name

deposited with the States, is in fact a donation, and will not be demanded, as it cannot be withdrawn from the people without serious interruptions to the settled policy of at least a large number of the States. The committee therefore believe that the third instalment of this fund, which has been already appropriated by this State to internal improvements, can properly be constituted a fund for the payment of interest until the completion of the works, when it may be withdrawn and repaid, if necessary, from the profits of the system.

Upon the foregoing data are based the following statements of the liabilities and resources of each respective year:

*For 1839.*

Interest payable up to January 1, 1840	-	-	\$162,276 00
To pay this, there is the following, viz:			
Third instalment of the surplus revenue		\$142,319 14	
Balance of interest, dividend, &c, in hand of Fund Commissioners, after paying interest up to 1st January, 1839	-	-	76,406 78
Interest on the above amount for one year, about	-	-	12,000 00
Dividends on \$3,000,000 Bank stock, at three per cent.	-	-	90,000 00
Premium and exchange on \$1,000,000 bonds sold at two per cent.	-	-	20,000 00
			<hr/> 340,725 92
Balance on hand January 1, 1840	-	-	<hr/> <hr/> \$178,449 92

*For 1840.*

Interest payable 1st January, 1841	-	-	\$252,276 00
To pay this, there will be—			
The balance on hand January 1, 1840	-	\$178,449 92	
Interest on this amount, about	-	10,000 00	
Dividends on Bank stock	-	90,000 00	
Premiums and exchange on bonds sold, \$2,000,000, at two per cent.	-	40,000 00	
			<hr/> 318,449 92
Balance on hand January 1, 1841	-	-	<hr/> <hr/> \$66,173 92

*For 1841.*

Interest payable up to January 1, 1842	-	-	\$372,276 00
To pay this amount, there is—			
The surplus on hand January 1, 1841	-	\$66,173 92	
Interest thereon for one year, say	-	3,000 00	
Dividends on Bank stock	-	90,000 00	
Premiums and exchange, 2,000,000 bonds sold at two per cent.	-	40,000 00	
Tolls on \$3,000,000 of public works expended prior to Jan. 1, 1840, at two per cent.	-	60,000 00	
			<hr/> 259,173 92
Deficit on the 1st January, 1842	-	-	<hr/> <hr/> \$113,102 08

*For 1842.*

Interest payable January 1, 1843	-	-	-	\$492,276 00
To pay this, there will be—				
Dividends on Bank stock	-	-	\$90,000 00	
Premiums and exchange on \$2,000,000 bonds sold at two per cent.	-	-	40,000 00	
Tolls on \$5,000,000 expended on public works prior to the 1st Jan. 1841, at three per cent.	-	-	150,000 00	
			<u>280,000 00</u>	
Deficit, January 1, 1843	-	-	-	<u>\$212,276 00</u>

*For 1843.*

Interest payable January 1, 1844	-	-	-	\$612,276 00
To pay this, there will be—				
Dividends on Bank stock	-	-	\$90,000 00	
Premiums and exchange on \$2,000 00, bonds sold at two per cent.	-	-	40,000 00	
Tolls on \$7,000,000 expended on public works prior to Jan. 1, 1842 at 4 per cent.			280,000 00	
			<u>410,000 00</u>	
Deficit on the 1st January, 1844	-	-	-	<u>\$202,276 00</u>

*For 1844.*

Interest payable January 1, 1845	-	-	-	\$756,138 00
To pay this, there will be—				
Dividends on Bank stock	-	-	\$90,000 00	
Premiums and exchange on \$2,800,000 (balance of \$14,000,000) at two per cent.	-	-	56,000 00	
Tolls on \$9,000,000 expended on public works prior to Jan. 1, 1843, at 5 per cent.			450,000 00	
			<u>596,000 00</u>	
Deficit, January 1, 1845				<u>\$160,138 00</u>

*For 1845.*

Interest payable January 1, 1846	-	-	-	\$840,000 00
To pay this, there will be—				
Dividends on Bank stock	-	-	\$90,000 00	
Tolls on \$11,000,000 expended on public works prior to Jan. 1, 1844, at 5½ per cent.	-	-	605,000 00	
			<u>695,000 00</u>	
Deficit, January 1, 1846	-	-	-	<u>\$145,000 00</u>

*For 1846.*

Interest payable January 1, 1847	-	-	-	\$840,000 00
To pay this, there will be—				
Dividends on Bank stock	-	-	-	\$90,000 00
Tolls on \$14,000,000 expended on the public works prior to January, 1845, at 6 per cent.	-	-	-	840,000 00
				<hr/> 930,000 00
Surplus, January 1, 1847	-	-	-	<hr/> <hr/> \$90,000 00

It will be observed that the above calculations are predicated on the expenditure of two millions a year during the next five years, and three millions in the sixth. If it should be thought most expedient to restrict the expenditures to one million a year, and prolong the completion of the system, the deficits will of course be less in each year.

The foregoing statements bring down the calculation to the first day of January, 1847; at which time it is presumed the whole of the public works will have been completed and in operation at least 18 months preceding.

It is shown by the statements that the deficits, to be supplied by taxation or contingent resources, are as follows, viz:

On the 1st of January, 1842	-	-	-	\$113,102 08
1st of January, 1843	-	-	-	212,296 00
1st of January, 1844	-	-	-	202,276 00
1st of January, 1845	-	-	-	160,138 00
1st of January, 1846	-	-	-	145,000 00

And on the 1st of January, 1847 there is shown a surplus of 90,000 00

If these calculations are to be relied on, the deficits to be made up from sources other than the profits of the Bank stock, at its present amount of \$3,000,000, and from the public works themselves during the last five years' operations, would be \$832,812 08.

This sum your committee believe could be raised by taxation without oppression or complaint on the part of the people, if they could be assured of the capacity of the works to support themselves after their completion.

The following table exhibits, as nearly as the committee can arrive at the information, the probable amount of lands which will be subject to taxation within the several years in which the above deficits will occur; showing, also, the amount of deficits in each year.

The amount of entries, from this time forward, is estimated at one million of acres annually. This estimate, it is thought, is moderate when made in view of the prospective emigration to the State, as well as of the fact that, perhaps, at least one-third of the present population of the State are residing on Congress lands, which now are, and soon will be, subject to entry.

Years.	Deficits.	Number of acres of land taxable.	Annual tax per acre to meet the deficits.
1841	\$113,102	7,837,208	<i>cents.</i> 1.43
1842	212,276	11,500,000	1.84
1843	202,276	12,665,000	1.59
1844	160,138	13,665,000	1.17
1845	145,000	14,665,000	1
1846	Surplus of } 90,000 }	15,665,000	

If the progress of the public works should not be arrested, the emigration to the State for the next five years must be very great; and as capital and producers flow into the country, improvements will be extended, and real estate rise more rapidly in value, and a corresponding increase in the amount and value of personal property will ensue.

In view, then, of this accession of population and increase in the available resources of the State, your committee cannot see any just cause of alarm on account of the deficits which they have shown will probably exist for a few years in meeting the interest on loans.

Your committee would not, however, so far reflect on the sound intelligence of the people as to promise them the benefits of an extensive system of internal improvements in the State without their paying an equivalent for them. But if the people can be assured that this system can be carried on and completed by the aid of a moderate tax, for a few years only, and that it will greatly add to the value of individual possessions, afford a cheap and certain means of transit to market for all our productions, develop the dormant resources of the State, augment her population, and elevate her character at home and abroad, they will be satisfied to sustain it and push it forward to completion.

Having given the quantity of land subject to taxation in the several years in which deficits will occur, and the rate per acre necessary to make up these deficits, the committee will make one additional remark in relation to the taxes on lands. If the lands should be taxed in proportion to their value, and not by the acre, it is very plain that those lying nearest to the public works, and which have been most enhanced in value by their construction, will bear the greatest share of the burdens; and, perhaps, it will not be too much to say that a small per centage on the increased value of the lands in the vicinity of the public works, given to them solely by their construction, will go very far towards meeting the deficits without imposing much additional burden on lands lying remote from them.

In reference to the foregoing statements, it is to be observed that they are based upon the present amount of the banking capital of the State, and no view has yet been taken of its probable increase as the commercial wants of the State, and the future development of its resources may render judicious and necessary.

The mode of resorting to the profits of banking operations, for promoting the prosecution of works of internal improvement, has been adopted by many of the States in the Union with signal success; and this policy can no doubt be pursued in this State with advantage to the great financial interests of the State itself, and at the same time afford valuable facilities to her citizens.

In view of the probable increase in the banking capital, on the part of the State, the following table has been prepared, to exhibit the annual surplus and deficits which would probably exist in the event of an increase of the banking capital, \$1,000,000 per year, for the next four years.

In this table, the surplus and deficit in each current year is given opposite to that year, and the premiums and exchange on the bonds sold for the increase of Bank capital are calculated at two per cent. and the tolls are assumed to be the same as given in the foregoing statement.

*Table showing the probable surplus and deficits in the fund for the payment of interest on internal improvement bonds, predicated on the increase of the banking capital of the State, \$1,000,000 per annum, for the next four years.*

Years.	Increased bank capital in each year.	Probable deficit when the bank capital is \$3,000,000.	Probable deficit when capital is increased.	Probable surplus on present bank capital.	Probable surplus on increased bank capital.
1839	\$3,000,000	-	-	\$178,449	
1840	4,000,000	-	-	66,173	\$116,173
1841	5,000,000	\$113,202	-		72,897
1842	6,000,000	212,276	\$25,379		
1843	7,000,090	202,276	62,275		
1844	7,000,000	160,138	40,138		
1845	7,000,000	145,000	25,000		
1846	7,000,000	-	-	90,000	210,000

NOTE.—Fractions less than one dollar are omitted.

There being bills now before the Legislature proposing to increase the banking capital, on the part of the State, at the present session, it may not be improper to allude to the effects of the proposition on the interest fund for internal improvement purposes.

The surplus, as given in the foregoing statement, on the first of January, 1840, is \$178,449; and on the first of January, 1841, \$66,173.

Should an additional bank capital of \$3,000,000 be now authorized, and a portion of this amount constituted a trust fund, to be loaned on real estate at long periods, for the accommodation of the agricultural interests, it is the opinion of the most experienced financiers in the State, that the Banks can make dividends of ten per cent. thereon. It is also believed, from the present condition and prospects of the money market

in Europe, that the bonds, if seasonably put into market, will command at least five per cent. premium, and the exchange thereon would produce a nett profit of at least 6 per cent.—

Then, \$3,000,000 bonds, at 6 per cent. is	- - -	\$180,000
Six months' dividends up to January 1, 1840, at 4 per cent.		60,000
		<hr/>
		\$240,000
Surplus on the 1st January, 1840, as shown in statements and table, is	- - - - -	178,449
		<hr/>
Making the surplus on the 1st January, 1840	- -	<u>\$418,449</u>

As it is uncertain whether this proposition will meet with the favorable action of the Legislature, the committee will not trespass on the time of the House to carry on the calculations for subsequent years. It is obvious, however, that if the proposition should be adopted, and its results are not overrated, it would go very far to reduce the amount of probable taxation as exhibited in the preceding statements.

Your committee would wish to avoid all imputation of indulging in speculative calculations in reference to the resources of the State to meet the interest accruing upon the loans for internal improvements, and they hope that they will not render themselves obnoxious to that charge by adverting to another source of revenue.

The committee on Internal Improvements, in the last Legislature, taking into view the important practical results of the grant, by the General Government, of the canal lands in aid of the construction of the Illinois and Michigan canal, submitted to the consideration of the Legislature the importance of procuring lands along the line of the public works, to be enhanced in value by their construction. In accordance with the suggestion of the committee, authority was given by the internal improvement law, to the Commissioners of the Public Works to enter lands along the routes of the several works. The memorable revulsion in the fiscal affairs of the commercial world which shortly afterwards ensued, and the difficulty which subsequently existed in obtaining the description of funds receivable in the land office, tended to frustrate, in a good degree, this design of the Legislature. Entries, however, have been made, to some extent, by the Commissioners; and your committee entertain the belief that if a special fund, say of \$1,000,000, could be set apart by the present Legislature for the purpose of being vested in lands near the line of the public works, and in securing important town sites along the routes, and the works should afterwards be properly located, with a view to State interests, the profits on this fund so invested would be sufficient to meet any deficit in the payment of interest on loans, and create a sinking fund sufficient to reimburse the original investments.

Your committee flatter themselves that the calculations they have made in regard to the profits and dividends on loans and bank stock will not be considered extravagant. And if they can be as successful in demonstrating the probable accuracy of their calculations in reference to the revenue to be derived from the works themselves, they will have done all that can be necessary to satisfy the most prudent that no apprehensions need be entertained of burdensome taxation.

In prosecuting the inquiry into the probable revenue to arise from the public works, the committee have to assume data which is general in its character, but which they believe is within reasonable and tenable limits.

The railroad being commenced at the navigable rivers on the borders of the State, and extended into the interior, cannot fail to commence doing a limited business as far as completed; and both the amount and profits of this business must rapidly increase with the extension of the lines. During the years 1839, 1840, and 1841, at least 300 miles of the railroads, together with some important river improvements, should be completed. These river sections of the railroads will run through the most populous and improved portions of the State, and have their termini at important trading towns.

The committee have assumed, in their calculations, that up to the first of January, 1842, when the sum of \$7,000,000 will have been expended on the public works, the nett receipts for tolls and water-rents will have been only \$60,000. It is supposed that this estimate is within reasonable bounds, and cannot be objected to; and the ratio of increase of one per cent. on the expenditures made two years previous to the date of calculations is considered equally tenable.

Your committee propose to take the railroad from Springfield via Jacksonville as a basis of calculation for the probable revenue to be derived from the river sections of the unfinished lines. It is presumed that this road may be completed and in operation by the spring of 1840.

But before entering into this calculation they will take occasion to call the attention of the House to one road in the western country that bears a strict analogy to the river sections of our railroad system. The road referred to is in the State of Michigan, extending from the city of Detroit into the interior to Ypsilanti. This work, about thirty miles long, has recently been put into operation, and is said to be one of the most profitable in the United States, yielding about \$80,000 in ten months' operations, or at the rate of about \$3,200 per mile per year.

Your committee regret exceedingly their inability to furnish the official information in detail in reference to it; but they will state that the information they have received, and as stated above, is from such an unquestionable source as to justify them in embodying it in this report.

Your committee will also take this occasion to express their opinion that these river sections of our railroad system admit of no comparison with those detached divisions of the canals of Pennsylvania which hang as an incubus on their system. These detached portions of her great system are constructed parallel with, and on the immediate banks of, the Delaware, and the North and West branches of the Susquehanna. They form no continuous lines of communication, without transshipment, to great commercial marts; and they have been so frequently and so seriously interrupted by the breaking of the feeder-dams, in spring freshets, and by other casualties, that the upper country do not depend on them, and the descending trade, therefore, seeks a market in the old and ordinary modes of transit.

The Springfield and Jacksonville road, with the Naples branch, is about 60 miles in length, and will cost \$600,000; to which may be added

\$50,000 for the necessary machinery and motive power to put it into full operation. The committee assume the following for the probable daily business on the road, viz:

20 passengers in each direction, at 6 cents per mile, or	
\$3 60 - - - - -	\$144 00
20 tons of imports and exports in each direction, at 5	
cents per mile per ton - - - - -	120 00
United States' mail - - - - -	25 00
	<hr/>
	289 00

Deduct for repairs, superintendence, labor, motive power, and wear and tear of machinery, \$131 per day, equivalent to \$655 per mile per year - - - - -	131 00
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Nett profit per day - - - - -	<u>158 00</u>
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Calculating 300 days in the year, the annual income would be \$47,400, and for half the year 1840, and up to the 1st of January, 1842, \$71,100, being \$11,100 more than is allowed by the committee for the nett revenue from the whole of the public works in operation up to that time.

The tonnage, of 40 tons per day on this road, amounts to 12,000 tons per annum; and it is incumbent on the committee to examine whether this is or is not an extravagant calculation.

The committee have not been so fortunate as to have at their disposal any definite statistical account of the imports and exports of the interesting portion of the State penetrated by the above work; but having at their command the following statement of the exports and imports of Galena, for the year 1838, they will submit that as data from which inference may be drawn of the probable amount of tonnage on the road in question.

The exports of Galena and its vicinity, in 1838, are stated to be—in lead - - - - -	8,000 tons.
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The imports may be derived from the number of steam-boat arrivals from below, which were 228 boats, averaging 100 tons each—making - - -	22,800 tons.
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Of this amount, there were the following, viz:

6,000 barrels of flour, or 600 tons	
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3,000 barrels of pork, or 500 tons	
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1,100

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21,700 tons.

Total imports and exports (provisions excepted) -	<u>29,700 tons.</u>
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From the above statement, it appears that upwards of 20,000 tons of merchandize and foreign articles of use and consumption are necessary to supply the demands of the country depending on the town of Galena. Should this calculation be approximately correct, it is presumed that the estimate of 12,000 tons of exports and imports on 60 miles of railroad, traversing a country so well improved and densely populated as is that on the route of this road, and which produces a large surplus of the heavy staples of the country, is by no means exorbitant.

Leaving the above line of work, the committee will proceed to take a view of the fiscal ability of the whole system, and will then close this branch of their investigation.

In pursuing this subject, it is proper to regard the geographical position of our State, in relation to the grand and extensive systems of improvements in progress, or in contemplation, in other States in the Union, in order to arrive at some data by which to calculate the prospective foreign trade and commerce upon our public works.

The State of Illinois occupies a very central position on the map of the United States, and embraces a greater extent of latitude than any other State in the Union. All the great projected lines of overland communication from the seaboard to the Mississippi river concentrate north of the Ohio, and, from our geographical position, must cross our territory.

The great Southern railroad from Charleston to Cincinnati and Louisville has its most southerly terminus on the Ohio river, near one hundred miles north of the southern extremity of Illinois, and twenty-five miles south of St. Louis. All the more northerly routes from Virginia, Maryland, Pennsylvania, and New York to the Mississippi river, must necessarily pass between the Ohio river and the southerly bend of lake Michigan, and consequently traverse the entire breadth of our State.

It is a well known fact, acknowledged in the public documents of the respective States, that New York and Pennsylvania have long been competitors for the trade of the northwestern States; and they have lavished their millions on public works, in this grand rivalry. The works of Maryland and Virginia excited little fears from either Pennsylvania or New York, until within a few years. The developments of railroad operations have demonstrated the fact that this species of improvements are better calculated to accommodate the commercial community than canals. The observation and foresight of New York could not sleep over this fact, and there was at once projected a railway from their commercial emporium to the western lakes, having a southerly termination, with a view of its ultimate extension into the bosom of the western States.

No sooner was this project of New York set on foot, than Pennsylvania projected an extension of her Philadelphia and Susquehanna railroad to lake Erie; and more recently, a project has been suggested of constructing a continuous line of railroad from Philadelphia to St. Louis.

Whilst New York, Pennsylvania, Maryland, and Virginia were thus engaged in constructing works of internal improvements to secure to their respective Atlantic emporiums the trade and travel of the great western valley, a new and common rival to them all has recently sprung up. This formidable rival is the great Southern railroad from Charleston to Cincinnati and Louisville.

When this work was first projected, like many other important improvements with which the age abounds, it was considered exceedingly chimerical by many. Some giant minds of the sanguine south grasped the project, with a firm conviction of its practicability and usefulness; and no doubts are now entertained of its completion within a few years. It has been found, from the actual surveys of the line, that the Alleghany chain can be crossed by this road at one-half the elevation that presents

barriers to the Virginia, Maryland, and Pennsylvania routes, and that the grades upon the road are comparatively light; and of course the transportation on them will be less expensive than on either of the other routes. The line from Louisville to Charleston is the shortest route by which the Ohio and the ocean can be connected.

This route is 340 miles nearer than by New York, 240 miles nearer than by Philadelphia, 40 miles nearer than by Baltimore, and 170 miles nearer than by Mobile. The city of Charleston is within a short distance of the ocean, and accessible at all seasons of the year. This railroad is controlled by men of the first talents and enterprise of the age; and from the liberal banking privileges granted the company by several of the States through which the line of their work is carried, their means are ample. Eight millions of capital have been subscribed. During the severest depression in the money market of Europe and this country which has been known for many years, the company was able to negotiate a loan of two millions of dollars in London, within the space of ten days; and their agent returned with the money in the same vessel that carried him out. One hundred and twenty-eight miles of the road from Charleston westerly is expected to be completed during the present year, and one hundred and ten miles more will be placed under contract.

That New York and Pennsylvania will look patiently and inactively at the efforts making by their great southern rival is not to be expected. It would be to desert all their former designs and plans of political economy, for which millions have been liberally expended, and for which they are just commencing to reap their rewards. It is not to be supposed that any thing short of a continuous and uninterrupted line of communication from the seaboard to the great father of waters will satisfy their enterprise. Pennsylvania has peculiar encouragements to embark in railroads. Her 132 miles of railroads yielded during the last year, five hundred and forty-three thousand seven hundred and fifteen dollars, while her 591 miles of canals yielded but four hundred and fifteen thousand six hundred and thirty-one dollars.

Your committee have alluded to this state of things abroad, to direct attention to the part that Illinois, at no distant day, is destined to take in these grand designs, and to the incalculable benefits which she cannot fail to derive from them, by a timely and judicious legislation on her part.

What amount of travel and tonnage the concentrated lines of internal communication from the Atlantic seaboard to the Mississippi river may throw across our territory, and over our public works, no one can now conjecture. An immense territory stretches beyond our western border, which, at present, is comparatively uninhabited by the white man; but, if like causes continue to produce like results, a slight retrospection of the progress of the settlements of the territory northwest of the Ohio, during the last quarter of a century, will be sufficient to indicate what advantages our public works may derive from the settlement of this vast domain.

Your committee unfortunately have not been able to procure the data to arrive at the present imports and exports of Illinois. They find

that the arrivals at Chicago amount at least to 400 annually. If 150 tons be taken as the average of each, it will be	-	60,000 tons
The steamboat arrivals of the Illinois may be assumed to be 300 annually, which, at an average of 120 tons, will give	- - - - -	36,000
Of the Wabash, 200 arrivals, at 120 tons each (half to Illinois,)	- - - - -	12,000
Transhipped at Louisville and Evansville	- -	10,000
Of the Ohio, say	- - - - -	12,000
Transhipped at St. Louis, for Illinois, say	- -	20,000
Ports in Illinois, on the Mississippi river, at Chester, Alton, Grafton, Quincy, Warsaw, Galena, &c., say		60,000
Total	- - - - -	<u>210,000</u>

The whole number of steamboats navigating the waters of the Mississippi and its tributaries is estimated at about 400; averaging these at 200 tons per boat, and each boat making 20 trips per year, it would give the whole tonnage carried by steamboats in one direction at 1,600,000 tons. If this estimate is approximately correct, the above estimate of 210,000 tons for the State of Illinois is not more than a fair proportion of this total amount.

The exports of the State cannot be accurately stated, for the want of the proper statistical information—and your committee must again resort to data of a general character. The Wabash and its tributaries drain a country about equal to one-third of the State of Illinois. It is pretty well ascertained that a season of tolerable crops sends out of that river at least 3,000 flatboats, averaging 60 tons each, making a total of 180,000 tons.

The superior facilities of making farms, which a prairie offers over a heavily timbered country, will enable the population of Illinois, very early, to arrive at that point which will afford the greatest exportation the soil is capable of producing. From this view of the subject, and of the data drawn from the exports of the Wabash valley, your committee believe that, by the time the railroads are in operation in Illinois, the exports will not fall short of 350,000 tons.

To determine whether or not this amount of tonnage would not be an exorbitant remuneration for the labor of a population of 800,000, which it is presumed will inhabit Illinois in 1846, your committee will institute an inquiry into the probable value of the amount of exports.

The staple productions of Illinois, and which will always form the bulk of her exports, are, wheat, flour, corn, pork, beef, tobacco and lead. Taking these six articles of exports, their average value may be ascertained near enough for the present purpose, as follows, viz:

1. Wheat or flour, per ton	-	-	-	\$50 00
2. Corn, per ton	-	-	-	15 00
3. Pork, per ton	-	-	-	75 00
4. Beef, per ton	-	-	-	65 00
5. Tobacco, per ton	-	-	-	80 00
6. Lead, per ton	-	-	-	75 00

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6 | 360 00

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Average value, per ton - - - - - \$60 00

The above amount of exportation—350,000 tons assumed as the maximum for the whole State of Illinois in 1846, would, at \$60 per ton, amount to \$21,000,000

The western district of the State of New York, although still increasing in population, sends down the Erie canal an annual export of twenty millions of dollars, consisting principally of agricultural products. Hence, an amount of \$21,000,000 of exports for this State in 1846, cannot, in view of this fact, be considered an extravagant estimate.

What portion of the imports or exports of the State will probably pass over our public works, is another question of primary importance to be determined, in order to arrive at the probable revenue to be derived from this source.

One great argument urged in favor of our present system of internal improvements is, that by concentrating all the works at the mouth of the Ohio, every portion of our State can send off her products at the season of the year when there is the least competition in the southern market. That this valuable feature in the system of the public works of Illinois will tend to induce an immense amount of transportation, which would otherwise float upon the rivers to market, there can exist no doubt. In addition to this, it is to be considered that the timber, suitable for the construction of flatboats, is gradually disappearing in the interior with the settlement of the country. On the other hand, when the produce reaches the mouth of the Ohio, it will then find uninterrupted means of transit to the lower market in steamboats, and in large and capacious flatboats which will have performed the service of transporting salt from the Upper Ohio, for the supply of the interior of Illinois, and the country drained by the Upper Mississippi and its tributaries. Independent of these considerations, it will be borne in mind that a large portion of the exports will be produced in the interior of the State, and must find its way to the navigable rivers, on every road in the system, to seek a market; so that it is reasonable to estimate that full one-half of the total imports and exports of the State will pass over the railroad lines.

Another important item of tonnage should not be lost sight of in estimating the probable revenue of the roads. The interior of Illinois will require an immense quantity of fencing and building lumber, that must be transported from the rivers to the prairies, to supply this demand. This lumber will come from lake Michigan, the Upper Mississippi, the Wabash and the Ohio; so that almost, if not all, the roads in the system will command more or less of this important trade.

From the foregoing views of the prospective trade, in which our public works are destined to participate, your committee have made out the following estimate of the probable revenue to be derived from the whole system when completed.

The lowest estimate which the committee have been able to make for the amount of the foreign and local travel and transportation on the railroads, is 25 persons per day in each direction, and 20 tons of imports and exports, in each direction, for 300 days in the year—the total length of the roads being 1,342 miles.

25 passengers in each direction, on 1,342 miles, for 300 days,	
at 5 cents per mile,	\$1,006,500
20 tons in each direction, at 5 cents per mile, per ton,	805,200
1,342 miles of daily mails, at \$125 per mile, per year,	167,750
Water rents and tolls on river improvements,	50,000
	<hr/>
Total,	\$2,029,450
Deduct expenses:	
Interest on \$14,000,000	\$840,000
Motive power, superintendents, repairs, laborers,	
and wear and tear of machinery, \$655 per mile,	
on 1,342 miles,	878,010
	<hr/>
	1,718,010
	<hr/>
Yearly balance,	<u>\$311,440</u>

By averaging the rate of speed of the above transportation at 80 miles per day, the quantity of tonnage, necessary to give the above amount of tolls, will be 200,000 tons per annum.

The above estimated annual receipts on the railroads would be at the rate of \$1,475 per mile.

The Ohio canal, 333 miles long, in 1838, paid \$1,093 per mile, with between eight and nine months' operation.

The Pennsylvania canal between Philadelphia and Pittsburgh, (which suffered from an extensive breach during the last year,) yielded only about \$1,000 per mile.

The New York canals in 1836, after reducing her tolls, to compete successfully with the Pennsylvania lines, and having various railroads in their country to take off the travel from the canal, yielded \$2,000 per mile nett profit, after deducting expenses of collection, maintenance, and repairs.

The Pennsylvania railroad, 132 miles in length, and the motive power thereon, paid in 1838, \$4,119 per mile. The portion of the last named works between Philadelphia and Columbia, 82 miles long, paid in 1838, after deducting the maintenance of the motive power thereon, and defraying the cost of supervision and repairs, \$210,393, or \$2,567 per mile, equivalent to seven per cent. on the total cost of this work.

In view of these results on other similar works, your committee entertain the belief that their estimate of the gross receipts on the railroads of Illinois, at \$1,475 per mile per annum, is sufficiently reasonable.

In connection with the subject of the probable amount of business and profits on the railroad system of Illinois, it should be borne in mind, that the works of internal improvements in other States have, for the most part, greatly exceeded in first cost, per mile, those projected in Illinois. Large expenditures of money have been made on comparatively short lines of work: and the tolls being charged by the mile, the ratio between the amount of business and actual re-

ceipts on the one hand, and the per centage on the costs of the work on the other, is very great. A railroad or canal of the same length, and costing \$40,000 per mile, would have to command four times the amount of business, to nett the same per centage as would a road costing but \$10,000 per mile; admitting the wear and tear, the motive power, supervision and contingent expenses to be the same in both cases. But this cannot be; for as the amount of business is increased on the road, the contingent expenses of every description advance in proportion, so that the road costing \$40,000 per mile must necessarily do at least five times the amount of business that would be required of a road costing but \$10,000 per mile, to pay the same per centage on the capital invested in their construction, the tolls being the same. Moreover, the money expended on roads of cheap construction will extend them much further over the country, accommodate a greater number of people and interests, and command a much larger local trade.

Take, for instance, the Philadelphia and Columbia railroad above referred to. This line of work is eighty-two miles long, and cost near three and one quarter millions of dollars, or near \$40,000 per mile. This road commands the local trade and travel of only 82 miles of country. Whereas this sum, expended in the construction of railroads over the open and comparatively level prairies of Illinois, would command the local trade and travel of upwards of 300 miles of country, and diffuse its equal benefits to four times the population that a road, costing \$40,000 per mile, would do.

The foregoing are the estimates of the probable revenue to be derived from the railroads, as predicated on the ordinary rates of tolls charged on similar works in other States. On most of these works, and especially on those in the several States competing for the commerce of the West, the rates of tolls are, and always must be, kept down by that competition. But the works of Illinois will not have to contend with any such competition; and the whole of the works being under the control of the State, it will be within her power to regulate the tolls to meet the exigencies of the revenue and expenses. A discriminating toll can be charged on different species of transportation; the exports of her products can be protected, and a revenue raised from the imports, and from the foreign commerce and travel which it may be the interest of the citizens of other States to give to our public works; and, generally, to regulate the whole rates of tolls, so as to sustain the system. And it is believed by your committee, that a much higher rate of tolls may be charged, if necessary to produce a revenue, than their calculations exhibit; and the works will still afford an immense saving to the people of the State, and at the same time preserve a successful competition with all other modes of transportation and travel.

There is another view in regard to the probable revenue of the works, which your committee will notice.

The whole system, as at present arranged, enables every part to contribute to the support and success of the whole. If there should be any of the branches of doubtful utility in a fiscal point of view, when separately considered, yet the travel and transportation generated by these lateral roads, when accumulated on the main lines and passing over them, will constitute the direct and legitimate means of rendering the whole system profitable. This state of things is said to exist in reference to the canal system of New York. The lateral or branch canals, considered separately and apart from the whole, do not yield a revenue sufficient to pay the interest on the costs of their construction; and it is said the main line would not be profitable without them; yet, when the whole is taken together, it forms one of the most profitable systems of public works in this or any other country. The reason of this is obvious. The main line accommodates, comparatively, but a limited portion of country, but when the arms or lateral branches are thrown out into an extensive region of country, they generate

a commerce for the main stem that would not otherwise pass over it, and this additional trade, combined with that of the main line, forms a mighty mass of business, and renders the whole system immensely productive and profitable.

In regard to the profits to be derived from the transportation of the United States mails, your committee entertain the opinion that their estimate is extremely reasonable. It cannot be otherwise than that several most important mail routes must be established across our State: and their importance must yearly increase with the settlement of the great western country beyond the Mississippi. And the route from north to south must, from the nature of things, be of immense importance so soon as the communication is once opened from the northern States and Territories to the mouth of the Ohio; and thence, by uninterrupted steamboat navigation, to the great commercial emporium of the Mississippi valley. The mails of the United States *must* be carried on these important routes, or every particle of its business will be anticipated, and consequently destroyed, by the expedition of the railroad communications. Then there would be no other alternative than for the Government to pay for the transportation of her mails, on these expeditious lines of communication, any reasonable compensation the State might demand. The price per mile, of \$125, as estimated by the committee, very little exceeds the amount paid for daily mails on the common roads, at the ordinaty speed; and it will scarcely be questioned that this estimate is within all reasonable limits.

The committee have thus attempted to demonstrate the existence of a sufficient amount of transportation and travel in the State to sustain, by its tolls, the public works, when they are put into full operation. They will close this branch of their investigation, by giving the following statistical exhibits of the extent, costs, and actual business of some of the principal works in the United States; which exhibits, your committee believe, may be useful in the examination of this important subject.

*Abstract of the Boats that have passed, and Tolls received on the Louisville and Portland Canal, from 1831 to 1837.*

Year.	Number of Steamboats.	Flat and Keelboats.	Tons.	Amount received for tolls.
1831	408	421	76,323	\$12,750 77
1832	453	179	70,109	25,756 12
1833	875	710	169,885	60,736 92
1834	938	623	162,000	61,848 17
1835	1,258	355	200,413	80,165 24
1836	1,182	260	182,220	88,343 23
1837	1,501	165	242,374	145,424 69
	6,611	2,713	1,103,324	475,025 14

*Length and cost of several improvements in other States, and the amount of tolls received on each in 1837, taken from official documents.*

Designation.	Length in miles	Total cost.	Cost per mile.	Tolls in 1837.
New York canals,	655	\$11,962,711	\$18,264	\$1,293,129
Pennsylvania State canals and railroads,	709½	18,830,625	26,541	975,350
Ohio canals,	406	5,356,150	13,192	355,166
Lehigh navigation,	46¾	1,546,095	33,071	149,267
Schuylkill navigation,	108	3,187,383	29,513	604,189

*Statement of tolls collected upon the State Canals of New York, Pennsylvania, Ohio, and upon the Schuylkill navigation in Pennsylvania, from 1818 to 1837.*

Years.	New York.	Pennsylvania.	Ohio.	Schuylkill navigation.
1818	—	—	—	\$233
1819	—	—	—	1,203
1820	\$5,437	—	—	803
1821	14,388	—	—	1,792
1822	64,072	—	—	1,054
1823	152,958	—	—	1,964
1824	340,761	—	—	635
1825	566,112	—	—	15,775
1826	762,003	—	—	43,108
1827	859,058	—	—	58,149
1828	838,444	—	—	87,171
1829	813,137	—	—	120,039
1830	1,056,922	\$27,012	—	148,165
1831	1,223,801	38,241	—	134,005
1832	1,229,483	56,909	—	264,829
1833	1,463,715	151,419	\$181,954	325,486
1834	1,339,799	309,789	210,018	299,841
1835	1,548,972	674,357	232,894	433,643
1836	1,614,680	837,805	257,925	522,633
1837	1,293,129	975,350	355,166	604,189

NOTE.—The tolls on the New York works have undergone a gradual reduction for several of the last years; and the receipts were reduced, in 1837, by accidental causes.

Another question of importance is, whether the railroads will possess the ability to command the travel and transportation which may exist in the State, and to compete successfully for it with other means of transit.

So far as it regards the abilities of the railroads to secure the travel and light transportation, the committee deem it unnecessary to trouble the House with an argument in detail on the subject. The peculiar adaptation of railways for the conveyance of passengers and light transportation is so well understood that little need be said in support of it. If any elucidation in support of this position was required, the committee think that the mention of the fact that a proposition to construct a railway from New York to Albany—which project is now about being put into execution—would be sufficient. This road will be constructed by private enterprise, for the purpose of yielding a profit to its owners, and at a cost of about \$40,000 per mile. It will run parallel with one of the finest rivers in the continent, and which is as well supplied with commodious, safe, and expeditious steamboat accommodations, as any other in the world; and perhaps on no line of communication, of equal extent, is the price of travelling so cheap as it is on that river. Other instances of a similar character might be referred to; but the committee deem this sufficient for their present purpose.

Perhaps in no country, or in any age, or to any people, was the axiom, "*that time is money*," more applicable than to the people of the United States at the present day. Comparatively speaking, there are few of our citizens possessed of large and overgrown estates, and therefore men of leisure; but on the contrary, the great mass of our people are depending on their own active exertions, industry and enterprise. Despatch and speed, in every ramification of the business of life, are almost the very condition of their existence. The improvements in the means of conveyance, and the astonishing annihilation of time and space produced by them within the last few years, so far from satisfying the travelling community, has only tended to incite an increased desire for greater rapidity of movement. This is so obviously correct that the steamboat of the greatest speed is almost universally preferred, even at the risk of life itself. To the commercial community, which forms the great mass of travel, it is of advantage, in every point of view, to perform their journeys and voyages with the greatest practicable expedition; and hence, that mode both of travel and transportation which offers the greatest certainty and speed, and liable to the least casualties and delays, will always be preferred. So long, then, as this disposition to embrace the safest and most expeditious means of conveyance continues, there can be no reasonable doubt entertained of the capacity of our railroads to compete with all other modes of travel, for the transportation of passengers travelling in the direction of any of their routes.

In addition to the ordinary travel of the country that always seeks the public conveyances, the railroads will induce an immense amount of local travel, which would not otherwise exist, or be performed by means of private conveyances. Even before the introduction of railroads in England, it had become a saying "*that a man could not afford to walk*." Such were the facility and cheapness of conveyance afforded

by their numerous and splendid canals, that the extra time consumed, and the expense of performing a journey on foot, cost more than the fare on the canals. So it might be said in Illinois, if her railways were in operation, "that a man could not afford to ride in his own conveyance;" for the time and actual expenses he would save by travelling on the railways, over and above the cost of performing the journey in his own conveyance, would, in most instances, make it his interest and induce him to prefer the former.

A journey of 100 miles on horseback for the purpose of transacting business at Alton, Chicago, St. Louis, or any other place, would require three days' travel in each direction, making six days' expense for man and horse, at \$1 per day, is

2 days' time and expenses of horse whilst attending to the				
business of the journey, 75 cents	-	-	-	1 50
6 days' time of man and horse, at \$1 50	-	-	-	9 00
				<hr/>
				\$16 50

By railroad—fare 200 miles	-	\$10 00	
1 days' time on the journey in each di-			
rection \$1	-	-	2 00
2 meals on the journey	-	-	1 00
			<hr/>

13 00

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\$3 50

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Making three dollars and fifty cents in favor of the railway conveyance, by putting the expenses of the journey on horseback, (which is the cheapest mode of private conveyance) at the lowest rates, and valuing the time of the person at the small sum of one dollar per day. If these views of the subject be correct, there cannot exist a doubt of the entire ability of the railroads to come into the most successful competition for a large share of the travel of the country.

The last inquiry the committee design to institute into the financial abilities and business capacities of the railroads, is in reference to the tonnage which it has been shown will exist in the State at the time of their completion.

The minimum average rate of transportation, on our common roads, is not less than \$1 per hundred pounds per hundred miles,

or per ton	-	-	-	-	\$20 00
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The ordinary rates of toll and transportation on railways					
being 5 cents per mile per ton, for one hundred miles, is					5 00
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Balance in favor of railroads	-	-	-	\$15 00
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Thus, at the lowest possible rates that a common team, during the season of the best roads, can perform the transportation, there would be a clear saving of money of \$15 per ton, besides the advantage of the superior speed, certainty, and safety of the railway conveyance.

The staple productions of Illinois must, for the most part, be exceedingly bulky, and for this reason they will not bear transportation on common roads from the interior to the rivers; which they might do on the railways.

Take, for instance, the article of corn, which is the cheapest of all our productions compared with its tonnage, and it will be found that even this article would bear transportation, on the railways, from the extreme interior to the rivers. From an inspection of the map, it will be seen that, if the present system of railroads is carried out, the roads will bring most portions of the interior of the State within 70 or 80 miles of some navigable stream.

Then the transportation of one ton of corn, or 34 bushels, a distance of 80 miles, at the rate of five cents per ton per mile, would be,

per ton	-	-	-	-	-	\$1 00
or per bushel	-	-	-	-	-	11½

The cost of transportation, for a distance of 80 miles, of a bushel of wheat, is

-	-	-	-	11
Of 100 pounds of tobacco	-	-	-	20
Of 1 barrel of pork or beef	-	-	-	60
Of 1 barrel of flour	-	-	-	40
Of 1 bushel of salt	-	-	-	10

And all other articles of produce and consumption in the same proportion.

The cost of the transportation of pork and beef on the common roads forces the counties in the interior of the State to resort to driving the animals to the trading towns on the river, for slaughter. The expense, loss of time, loss in the weight of the animals, and other obvious disadvantages occasioned by this mode of going to market, could very readily be shown to exceed the cost of carrying the salt into the interior on the railroads, and of transporting thereon the beef, pork, and bacon after it is cured and packed. All experience has shown that, as fast as the means of cheap transportation is extended into the interior of a country, commercial establishments spring up along their lines; capital comes in, and competition in trade, the life of business in all countries, is excited. The producer then finds a ready market, comparatively at his own door, for his surplus produce, and at as high a price as he could obtain in the city or large trading town at the termini of the road or canal; deducting only the bare costs of transportation. He thus avoids the loss of time, and escapes the risks and vexation of seeking a foreign, and perhaps glutted market, for his produce. He is enabled thereby to concentrate his energies and attention to his domestic concerns, and avoids the loss and derangement of affairs incident to being withdrawn from home. Moreover, it most frequently happens that the common roads of the country are in the worst condition, at the very season of the year when the farmer is most at leisure with his teams; and it is not unlikely, also, to happen that the market may be most favorable at the very time when his domestic engagements are the most pressing on his hands.

And it is believed that the railroads of Illinois, by being brought into operation at so early a day, will not very materially affect any settled interests of the people. In the older States, where the transportation had, for a long series of years, been performed by the ordinary teams of the country, there had grown up immense individual interests, with which the sudden introduction of the public improvements did, for a time, injuriously conflict. But, in this State, no very extensive preparations

have yet been made in reference to the carrying trade of the interior; and what capital shall have been invested in teams and wagons can be transferred to the purchase and improvement of real estate, and brought into the most useful of all applications—the cultivation of the soil. And it is thought that agricultural pursuits, with a ready and certain market, will be the most profitable, as they are the most honorable, in Illinois.

Under all these considerations, and numerous others that might be alluded to, it can scarcely be doubted that it will be the interest of the agricultural portion of the community, either directly or indirectly, to give their business of transportation to the railroads; and that there is every just reason to believe that the railroads will be resorted to for the purpose of transporting the great mass of the exports as well as the imports of the State.

Your committee have thus endeavored to show that the prospective revenue of the State, and of the public works, will be sufficient to carry on, complete, and sustain the system, without the necessity of resorting to burdensome taxation on the people; and that as this and the neighboring States and Territories increase in population and improvements, the works must, from the geographical position of the State, and the prospective business on them, yield a handsome revenue. But it is not with the sole prospect of revenue that a system of public works should be undertaken by the State. There is a higher standard by which their value should be estimated. If this system should be calculated to induce an immense influx of industrious and enterprising emigrants to our borders—to cause the wide and beautiful domains of this State to teem with population, and to be filled with improvements—if property shall be advanced in value—if incalculable savings to an industrious people, in time and in the costs of the transportation of imports and exports, should result from it—if information of the state of markets and general intelligence should be constantly kept up and widely diffused amongst the people by means of the railroads—if social intercourse and domestic happiness, should be promoted by means of the safe and rapid transit of absent relatives and friends—if an immense loss in human life and of property, yearly occurring by steamboat accidents on our rivers, should be avoided—if the reputation of the State should be advanced at home and abroad—and if numerous other benefits which the system promises should be realized from it—then your committee believe that all these considerations should likewise enter into the account when the calculations of the advantages and disadvantages of the system are made; and that they should go far to remove the objections of its opponents, and to determine its real value to the State.

The present is emphatically an age of improvements; and their onward march is a theme of the deepest interest to the philanthropist and statesman. The country or community that folds its arms and stands still, amidst the general progress of improvements that pervade the world, will soon be left behind, to regret that want of foresight that impelled their successful competitors on to greatness.

The astonishing applications of science to the arts of life, within the last few years, have either produced, or they have been the effect of a moral revolution in the civilized world. During the close of the 18th, and the commencement of the 19th century, the energies and productive usefulness of a large proportion of the male population of Europe were wasted in wars. Almost countless millions were expended; and an incalculable destruction of human life, at its season of greatest activity and usefulness was thus occasioned. No relict of this vast expenditure of life and money was left to benefit posterity and add to the common stock of human happiness. But on the contrary, distress and ruin, and pauperism hung as an incubus on the industry of the succeeding generation.

The continued peace of Europe, for the last quarter of a century, has removed the checks on population and productive industry which had prevailed for a long preceding period. The immediate consequence of this State of things is, that the arts of peace have been more extensively cultivated; population has rapidly increased; and by the economy of machinery, the products of human labor and invention have been astonishingly augmented.

Although the United States, during the wars of Europe, enjoyed the neutral carrying trade of the belligerent nations, by which great profits were derized; yet it is not difficult to perceive that this country has been recently more extensively benefitted by the pacific relations of the Old World.

The producing classes of society, in a time of peace, are constantly on the increase, and the savings of their labor form the substantial capital of all countries. These savings of the peaceful labors of Europe are continually tending to amass an amount of surplus capital, which cannot find employment there. Notwithstanding extended and costly projects of internal improvements, in Great Britain and on the continent of Europe, have recently been undertaken and prosecuted; yet labor and capital are still abundant; and money increases faster than investments can be made. New and varied schemes for the promotion of human happiness are daily springing up; and are scarcely projected before we hear of their completion. What were the prophetic phantoms of yesterday are the sober realities of to-day; so rapid is the transition from design to execution. Yet, with all this apparent demand for capital, money in Europe is extremely abundant and cheap.

Perhaps there never has been a period, since the time that Columbus presented the trophies of his discoveries at the feet of his sovereigns, to the present time, that the American continent was regarded with more interest by the commercial States of Europe. The trade and friendship of the United States are universally desired, and our credit, as a people, stands high and unimpeached. The securities of the States, and of incorporations, are held by capitalists abroad to an immense amount, and still the bonds of the American States are in demand, and in high repute.

The object of your committee in this apparent digression from their subject, is to direct attention to the causes which have produced the present general condition of the money market; and for the purpose of showing the probability of there being no disappointment in obtaining loans to carry on the public works. The committee believe these causes to be

permanent, and will continue to be immensely productive of surplus capital so long as they continue to operate. And they believe, too, that the only limit of the credit of the State will be found in an injudicious application of her funds to a wasteful expenditure on works of costly construction, for embellishment rather than utility. But so long as a judicious economy is persevered in, and useful works of internal improvement are being extended to develop the resources of the remotest regions of the State, and to accommodate and enrich the people, and bring into active operation all the latent elements of wealth with which our State abounds, her credit will never suffer in the estimation of intelligent capitalists.

In the judgment of your committee, the State has nothing to dread, but every thing to encourage her in prosecuting, with becoming vigor, the great enterprise before her.

In commencing a system of public works, the State of Illinois marks out no new and untrodden path. She has before her the bright examples of many of her sister States, and all the benefit of their experience. But like them, too, she must expect to encounter discouragements. She must contend with the opposition of acknowledged opponents, and the dispondency of friends. The wisest heads and the purest hearts were found honestly arrayed against the policy of a Clinton in projecting and executing the great canal system of New York. Some of the most useful and profitable public works in this country date the darkest period of their whole history on the very eve of the bright developments of their true value. For instance, a portion of the original projectors of the Lehigh canal became discouraged, and sold out their interest at a loss, just before the stock arrived at its present high value. It is a matter of notoriety, also, that the Louisville and Portland Canal Company were solicitous, until recently, that Congress should take the work off their hands as a National work, apprehending it would become burdensome. But now the stock of the company is valuable.

So the estimates made of the probable value and practicability of public works, and of the great improvements of the age, have generally been underrated by their projectors and advocates. In one of the early estimates of the probable tonnage of the Schuylkill canal, in Pennsylvania, is found "ten thousand bushels of coal per year." Yet this canal, in 1837, sent down 523,000 *tons* of this article, and the amount is annually on the increase.

Within the last five years, one of the most scientific engineers and writers on the use and power of steam-engines in England, ventured an opinion, before a committee of the British Parliament, unfavorable to the practicability of the steam navigation of the Atlantic. Yet we now see the fallacy of this opinion; and now can feel the State pride to witness the inventions of a Fulton successfully applied in expediting the commerce of the world. And perhaps the day is not far distant when the vessels, laden at the docks of Liverpool, will discharge their cargoes at the mouth of the Ohio.

Your committee are fully aware that serious apprehensions are felt by many ardent friends of internal improvement, that the system adopted in Illinois is too large for the means of the State. But, in the judgment of the committee, it should be regarded in view of its aggregate

cost, and not as to its extent in miles. For if the peculiar adaptation of the face of our State to the construction of roads renders it practicable to construct a greater extent of improvements for the same sum of money than would be required for a much more limited extent in other countries, it forms an additional argument in favor of the system.

One of the highest calculations made by the opponents of the system of its probable cost, is \$20,000,000; which sum will be due and payable after the year 1870. If the value of the aggregate property in the State, in the year 1856, should be 300,000,000 of which there can be no doubt, then 6 $\frac{2}{3}$  cents on a dollar would liquidate the whole debt, at that time, in one single payment. That a much greater proportion of the value of this property than at the rate of 6 $\frac{2}{3}$  cents to the dollar, or its one-fifteenth part, will have been produced by the construction of the works, your committee think will not be questioned. Then where are to be found the ruinous and disastrous consequences of the system, which some apprehend? All seem to admit the propriety of establishing some system of internal improvements; and if this is really admitted, where is the citizen who would object to pledging not exceeding 6 $\frac{2}{3}$  cents on the dollar to secure the capital necessary to carry out such a system? A person who would borrow a sum not exceeding one-fifteenth of his estate, to be expended in the improvement of the remaining fourteen-fifteenths, could not justly be charged with imprudence in the ordinary transactions of life. Then who will recoil at the idea of leaving this debt of 6 $\frac{2}{3}$  cents to the dollar for posterity to liquidate?

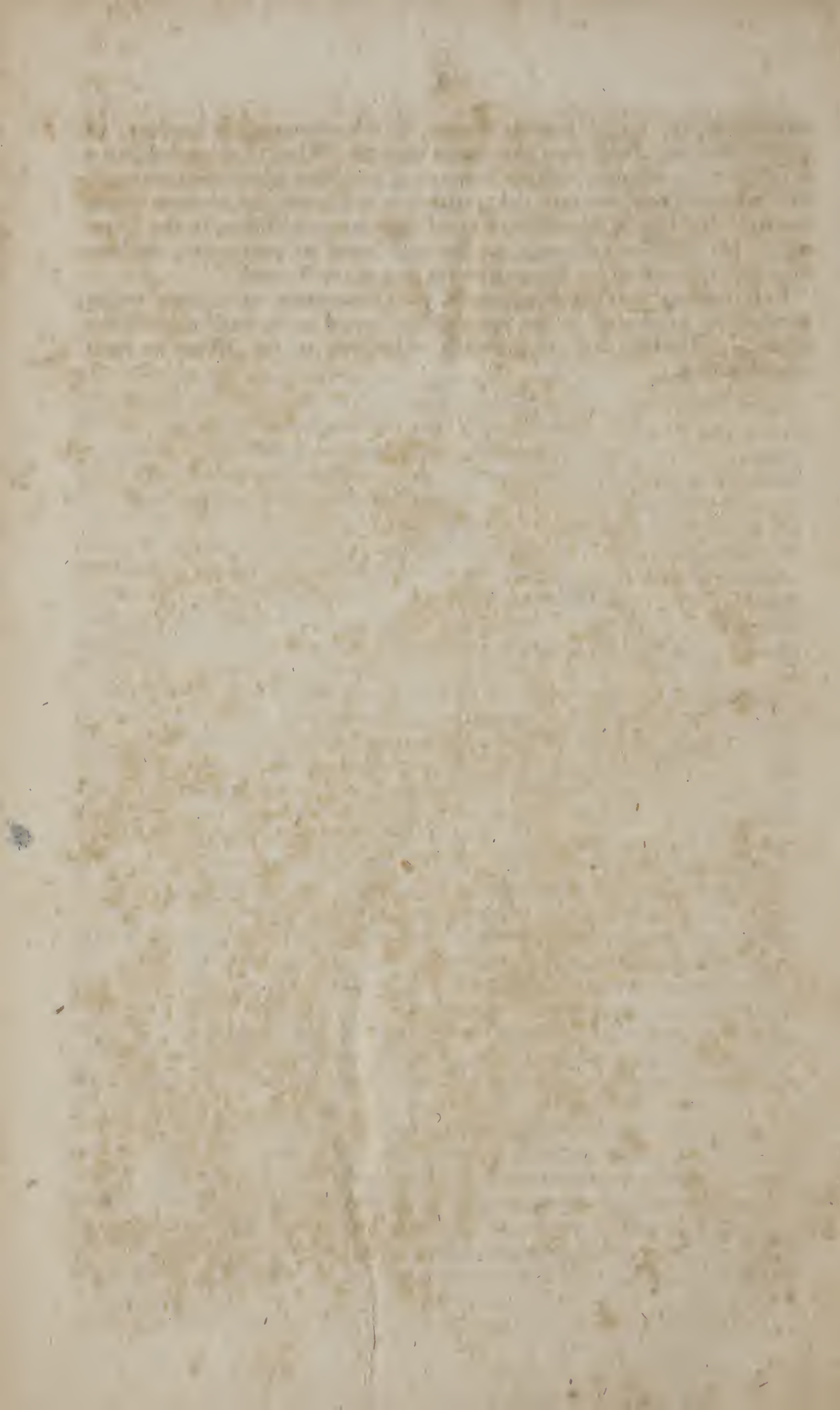
But in the event of the prosecution of the system under the provisions of the present laws, the internal improvement debt, that we shall hand down to posterity, will not be payable until after the year 1870.

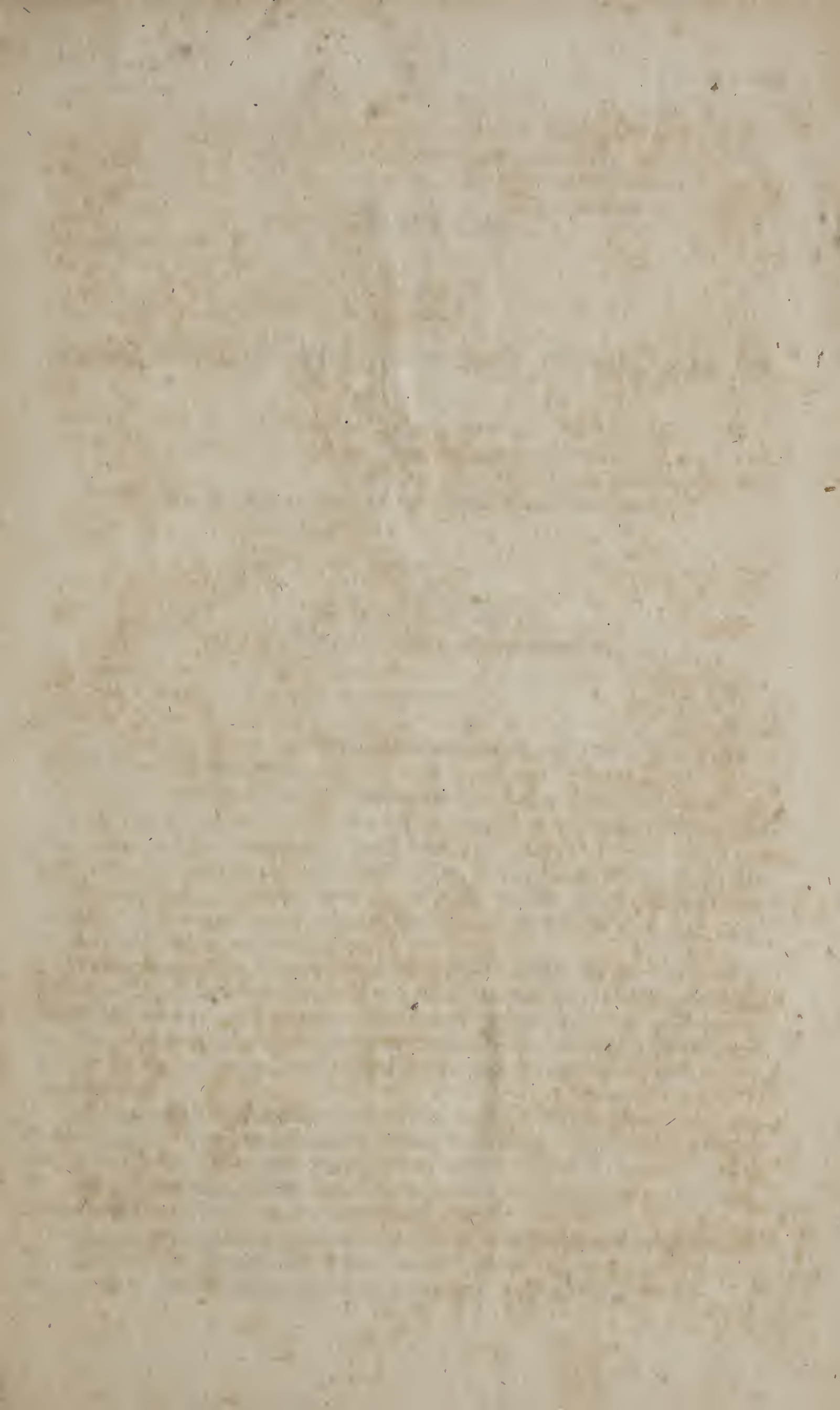
In legislating for the people on whom the payment of this debt will devolve, it unquestionable is wisdom to endeavor to keep in view their probable condition and resources to meet these liabilities. In doing this, we can only judge of the future by the past. Near one century will then have elapsed since the day that gave birth to the political existence of the mighty empire of States, amongst which, Illinois must then stand a conspicuous member. When that eventful day dawned on this continent it found only a few weak and oppressed colonies, clustered along the Atlantic shore. All the vast region that stretched out to the west, and especially the tract of country which now forms the northwestern States and Territories, and which is destined soon to become the granary of the Republic, was then a wild and uncultivated wilderness. Powerful and warlike tribes of savages peopled this vast domain; and over the beautiful prairies of Illinois, there roamed, in countless herds, the elk and buffalo.

It is easy to pursue the retrospect of the past; but what sanguine temperament will dare attempt to describe the contrast that a century will have produced on this continent? Who will venture an estimate of the number of independent freemen in Illinois, that will hail the first centennial anniversary of American freedom? Where will then be found, on the fertile plains of our State, the least remaining vestige of the Indian's sepulchre that the white man's plough will have spared? What

transformations in the humble cabins of the enterprising pioneer, to stately dwellings, will then have been made? What temples dedicated to religion, to science, and to humanity, will then have been erected? And who will now measure the gratitude of that posterity to those whose foresight and liberal legislation started their favored Illinois, in the morning of her political existence, on the high road to prosperity, civilization, and refinement, in company with her sister States?

Entertaining the foregoing views, your committee have come to the conclusions expressed in the propositions stated in the beginning of this report, and which are respectfully submitted to the House for their consideration.







**LETTER**

OF THE

**PRESIDENT OF THE BOARD OF PUBLIC WORKS,**

RELATIVE

*To the appointment of an agent to purchase iron.*

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FEBRUARY 19, 1839.

Read, and referred to the Committee on Finance.

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INTERNAL IMPROVEMENT OFFICE, Feb. 1839.

To the Hon. the SPEAKER

*of the House of Representatives of the State of Illinois.*

SIR: The Board of Public Works, in answer to a resolution of said House, calling for information "whether any agent had been appointed by the Board to purchase railroad iron, &c.," beg leave to state that Mr. Peck, Commissioner of the Board of Public Works for the seventh judicial circuit, was appointed agent of this Board, as will be seen by a copy of an order hereto annexed, marked A.

By reference to an extract from the report of Mr. Peck, made to the Board in June, 1838, (a copy of which is hereto annexed, marked B,) it will be seen what was done under said appointment by said agent. No other instructions were given except those contained in said order. A copy of the contract mentioned in the said report is herewith sent, marked C.

The President of the Board furnished to said Peck fifteen hundred dollars to pay all the necessary expenses in said mission; which sum the Board has been informed has been credited to the President by the Fund Commissioners upon the return of the receipt of the said Peck to their office.

Under an expectation that this account would be settled with the President of the Board, Mr. Peck was not called upon till to-day for a statement of the account, which he furnished, and is as follows, viz:

## STATE OF ILLINOIS, to E. PECK,

*Dr.*

To stage and steamboat fare from Chicago to New York, Philadelphia and Baltimore, and back to Chicago	-	\$131 75
To way expenses on said journey	- - - - -	165 00
66 days' per diem at \$5	- - - - -	330 00
		<hr/>
		\$626 75

*Credit.*

By cash received	- - - - -	\$1,500 00
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The balance of the sum unexpended on the mission as above has been disbursed by me as Commissioner of the Board of Public Works, for which I am prepared to account.

E. PECK.

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A.

On motion of Mr. McConnel,

*Resolved*, That Ebenezer Peck, a member of this Board, be appointed a general agent of this Board, and of the State of Illinois, to proceed, in the name of the Board and of the State, to contract for all the railroad iron that may be needed for all the railroads in said State that may be put under contract for the coming six months, in the State of Illinois; and that he be authorized to negotiate for said iron, by receiving proposals or otherwise.

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B.

"As the agent of the Board, the undersigned visited several of the eastern cities for the purpose of negotiating for the purchase of railroad iron. The success of his efforts will appear by the accompanying agreement, signed by Messrs. Boorman, Johnston & Co.

"At the time of making of this arrangement, a majority of the Board of Fund Commissioners were at New York, and it was agreed between us that they should make the necessary arrangements for paying the parties who were to furnish the iron; but I am informed that, owing to some differences of opinion between the Fund Commissioners and the contracting parties, no arrangement for the payment of the cost of the iron has been effected. It will therefore remain for the Board to take action upon the subject."

NEW YORK, April 24, 1838.

EBENEZER PECK, Esq.

*One of the Commissioners of the Board of Public Works.*

SIR: We understand you wish to make arrangements for purchasing in England, and importing to New Orleans, for account of the State of Illinois, the necessary railroad iron, splicing-plates, and spikes or nails, for two hundred and thirty-six miles of railroad single track; and that the said iron is to be of the usual best kind of iron used for the purpose of railroads, and the flat bars to be two inches and the fourth of an inch in width, and five-eighths of an inch in thickness, to be manufactured with bevel or scarf joinings, with holes to receive spikes nine-sixteenths of an inch in diameter, well and sufficiently counter-sunk for the reception of the spike heads; the bars to be perforated at each end and at intervals not exceeding fifteen inches asunder.

That you wish the execution of the order to be commenced as soon as practicable, and the whole quantity to be shipped from Liverpool or Wales by the 31st December, 1839.

The iron to be shipped for New Orleans consigned to order, and bills of lading to be handed by us to such agent as you may direct. Each shipment made, to contain, as nearly as convenient, the proper relative proportion of bars, plates, and nails.

On satisfactory arrangements being made with us for payment, which we understand you leave to be done by the Funding Commissioners of your State, we are willing to undertake the execution of this order, and to engage that the same shall be duly contracted for in England, and shipped on similar terms and conditions on which we are now executing an order for your State, under an agreement with Chas. Oakley, Esq. These are:—

1st. We will transmit the needful orders to our correspondent in Liverpool, to contract for the iron to be delivered on board ship in Wales or Liverpool, (as may be found most advantageous,) and to procure freightage for the same to New Orleans; and *on condition that no risk or responsibility attaches to the State till the safe arrival of the iron at New Orleans*; when the amount of cost, with insurance, is to become due in New York, twenty days thereafter, at the current exchange on London at such time.

2d. We engage to employ an agent in Liverpool, who shall manage the business in all respects on the most advantageous terms, at a charge of only *one per cent. on the amount of the contract price for the iron, and two and a half per cent. on the amount of freight* for procuring and hiring vessels, if the iron is shipped from Wales.

3d. Our compensation for transacting the business is to be five per cent. on the amount to be charged and paid on each shipment as the cost of the same is settled.

In respect to the proposed condition of making the contracts subject to inspection of the iron in New Orleans, that is wholly impracticable.

